



Memorandum

To : Luciana Profaca
Chief Deputy Director

From : Tina Watson
Chief, Audit Services

Date : March 10, 2008

Subject : **CONFIDENTIAL**
Misuse of State Vehicle - Orange San Gabriel District

Control #: V197-1091

Introduction

In June 2007, concerns surrounding inappropriate use of a state vehicle by [REDACTED] -Orange San Gabriel District, were brought to the attention of the Acting Chief Deputy Director [REDACTED]. As it is the responsibility of each State agency to ensure proper use of state vehicles by its employees, Audit Services was asked to conduct a review of the vehicle assignment and usage, and report on our findings. Our review was initiated in July 2007.

Background

Information obtained during this review indicates that [REDACTED] initial justification and approval to obtain a state vehicle in 2002 was supported. Specifically, correspondence in 2002 between [REDACTED] and her supervisor [REDACTED], former Deputy Director of Employment Preparation Services Division South (EPS South), supported [REDACTED] request to have a state vehicle assigned due to her inordinate amount of hours traveling to cover two districts (Orange San Gabriel and Southern Coastal) and that it would be more cost effective. On July 18, 2002, [REDACTED] approved her request. On that same date, [REDACTED] inquired about required paperwork and was advised by [REDACTED], Business Services Officer, that the state garage in her area would instruct her and advise her of the necessary forms to sign and submit.

In a memo to [REDACTED] dated August 12, 2002, [REDACTED], Business Services Assistant, indicated that the Monthly Assignment of State Vehicle (OFA 54) was approved. [REDACTED] instructed her to submit the approved original with a cover letter to the state garage for vehicle issuance. He also requested that she monitor the use of the vehicle to see that it receives appropriate and adequate use of approximately 4,000 to 6,000 miles over a six month period. Attached to the memo was a Vehicle Home Storage Request/Permit (STD 377, Rev. 10/97) with approval signatures dated August 9, 2002. The permit provided approval for [REDACTED] to store the vehicle at her residence. The permit contained an expiration date of September 1, 2003.

[REDACTED] picked up the vehicle, a 2002 Chevrolet Cavalier, from the state garage in Los Angeles, managed by the Department of General Services-Office of Fleet Administration (DGS OFA), on September 13, 2002.

Scope

Our review was conducted to determine whether [REDACTED] utilized the state vehicle in accordance with applicable state laws, regulations, policies and procedures.

We obtained information regarding issuance of the vehicle and the vehicle mileage for the period of September 13, 2002 through July 20, 2007. [REDACTED] utilization and storage of the vehicle at her residence between September 2002 and September 2003 was approved and supported; therefore the scope of our review focused on the period of October 2003 through June 2007.

Audit Services obtained and reviewed the following:

- California Code of Regulations (CCR), Title 2, Division 1, Chapter 3, Subchapter 1, Article 2, Traveling Expenses, and Article 15 Use of State-Owned Vehicles
- California Government Code Sections 19990(b), 19993.1, and 19572
- State Administrative Manual (SAM) Section 4107 - Travel Logs, Revised 06/96
- SAM Section 4109 - Home Storage, Revised 06/96
- SAM Section 20080 – Notification of Actual or Suspected Fraud and Irregularities, Revised 08/06
- SAM Management Memo 06-06 – State Vehicle Utilization Standards, Issued 1/31/06
- SAM Management Memo 03-18 – Acquisition of State Vehicles, Issued 10/1/03
- Rehabilitation Administrative Manual (RAM) – Chapter 4 – Automotive

Transportation, Revised 02/97

- State of California Fleet Handbook, Dated 1/2/2007
- State STD 377 – Vehicle Home Storage Request/Permit, Revised 10/97
- State STD 273 – Monthly Travel Log, Rev. 4/97; Rev. 10/03; Rev. 9/06
- DGS OFA – Utilization for Long -Term Leased Vehicles – 9/26/05
- Information from DGS Los Angeles state garage regarding information provided to State employees regarding state vehicles.
- Department of Rehabilitation (DOR) Fleet Usage Logs for period July 2005 - June 2007
- DOR Fleet Clarifications Guidance & Requirements Email Dated 4/12/06
- Copy of the Standard Lease Form for the Lease Covering Premises located at 222 South Harbor, Suite 300, Anaheim, CA (Orange San Gabriel District office) effective 10/14/03, which included six exclusive unobstructed parking spaces in the parking structure.
- Information from Arden Realty Finance regarding overnight parking at the Anaheim parking structure.
- Mileage Logs (STD 273's and/or DGS Online) for [REDACTED] for period September 2002 – July 2007
- DGS OFA invoices for the Anaheim District state vehicle for the period November 2003 – July 2007
- Fuel Usage data from DGS OFA for period January 2005 – July 2007
- FAS482AA, Individual Attendance Summary, for [REDACTED] for period September 2003 - July 2007
- Travel Expense Claims (STD 262) for [REDACTED] for period September 2004 - June 2007
- Employee electronic files including H drive and Outlook
- Information provided to us from [REDACTED] regarding the request and approval to obtain the vehicle in 2002 and her request for home storage effective until September 2003.
- Duty Statements, signed by [REDACTED] 10/1/99, as a Limited Term Rehabilitation Administrator II, and 10/31/00 as Rehabilitation Administrator II.
- DORALL dated 8/27/02, Subject: Farewell [REDACTED] [REDACTED].
- DORALL dated 10/22/02, Subject: Appointment of Acting Deputy Director, EPS South.
- DORALL dated 2/14/03, Subject: Southern Coastal Consolidation.

Investigatory Interview

Audit Services conducted an investigatory interview with [REDACTED] on December 13, 2007. During the interview, we requested [REDACTED] review her calendar, travel claims, attendance summaries, and mileage logs in order to provide a subsequent response to questions posed during the interview. On December 21, 2007, we received [REDACTED] response along with copies of her calendars. We also followed up with [REDACTED] regarding her response in areas where the additional data submitted required further clarification. [REDACTED] responses have been included in the report where applicable.

Conclusion

We found [REDACTED] improperly utilized the state vehicle to commute between her residence and headquarters, failed to obtain proper approvals, failed to submit required reports, and failed to ensure information reported was accurate as follows:

1. Although [REDACTED] justification and approval for use of the Chevrolet Cavalier was no longer valid after the merging of the Southern Coastal District in 2003, she failed to re-justify the need for the vehicle and seek appropriate approvals.
2. Subsequent to expiration of the approved Vehicle Home Storage Request/Permit (STD 377) in September 2003, [REDACTED] continued to store the Chevrolet Cavalier at her residence without an approved Vehicle Home Storage Request/Permit.
3. [REDACTED] improperly utilized the Chevrolet Cavalier to commute between her residence and the Orange San Gabriel District office for over three years at a cost to the State of \$19,601.
4. [REDACTED] did not submit Monthly Travel Logs (STD 273) to DOR as required.
5. [REDACTED] did not adequately complete Monthly Travel Logs, as required, until November 2006. In addition, discrepancies were identified on four of the eight logs submitted for November 2006 through June 2007.
6. [REDACTED] did not advise BSS of the inaccurate usage data reported for the Chevrolet Cavalier when requested. As such, utilization was inaccurately reported on the Fleet Usage Logs prepared by BSS and the STD 276A Passenger Vehicle Usage Reports submitted to DGS.

7. [REDACTED] did not ensure that information reported on her Individual Attendance Reports, Travel Expense Claims (TEC), and Monthly Travel Logs was accurate.

Recommendations and Corrective Actions

1. DOR Management take appropriate personnel action in regard to the findings presented in this report.
2. CCR Section 599.804, states that the head of each agency shall determine under the provisions of these regulations the amount and enforce the collection of actual costs to the State attributable to misuse of state-owned motor vehicles by employees of his/her agency. As such, DOR shall seek recovery of the costs attributable to [REDACTED] improper utilization of the Chevrolet Cavalier to commute between her residence and the Orange San Gabriel District Office, totaling \$19,601.
3. DOR Management ensure that [REDACTED] Individual Attendance Reports are corrected to accurately reflect leave time in February and June 2007.
4. DOR Management submit a memorandum to the Chief of Audit Services summarizing its actions, or actions to be taken, in regard to the results of this review within 60 days of the date of this report.

cc: Anthony P. Sauer, Director
Kelly Hargreaves, Chief Counsel, Legal Affairs
Daisy Blades, Staff Counsel, Legal Affairs
William Moore, Acting Deputy Director, EPS South
Diana Ducay, Chief, Office of State Audits and Evaluations
Elaine Howle, State Auditor, Bureau of State Audits
Rick Shedd, Acting Chief, Office of Fleet and Asset Management

Results of Review

As a District Administrator, it [REDACTED] responsibility to manage a program of vocational rehabilitation services in support of the DOR's mission and goals; to ensure district compliance with Federal and State laws and regulations; and to direct and manage District staff development and personnel activities in compliance with DOR policies and procedures. Her duties also require use of initiative, good judgment and resourcefulness; and analyzing situations and effectively resolving problems.

Our review found that [REDACTED] improperly utilized the state vehicle to commute between her residence and headquarters, failed to obtain proper approvals, failed to submit required reports, and failed to ensure information reported was accurate in accordance with applicable state laws, regulations, policies and procedures as detailed below:

1. **Although [REDACTED] justification and approval for use of the Chevrolet Cavalier was no longer valid after the merging of the Southern Coastal District in 2003, she failed to re-justify the need for the vehicle and seek appropriate approvals.**

In July 2002, [REDACTED] requested and was approved to have a state vehicle due to the inordinate amount of hours traveling to cover two districts (Orange San Gabriel and Southern Coastal). On 2/14/03, a memo to all DOR employees indicated that effective 2/1/03, the Southern Coastal District was dissolved with the offices merging into various districts. Since justification and assignment of the state vehicle for [REDACTED] use was a result of her covering two districts, including nine offices, the dissolving and merging of the Southern Coastal District should have called into question her continued need for the Chevrolet Cavalier.

Response:

[REDACTED] indicated that [REDACTED] was aware that she was no longer covering two Districts; but that her District spans such a large area, and she was on two Workforce Investment Boards (WIB) and two subcommittees requiring her to travel throughout the District. Even though she was no longer covering two Districts, [REDACTED] explained that she was still covering a lot of territory so she stated that [REDACTED] did not see any reason for her to not keep using the vehicle.

Conclusion:

It is questionable whether [REDACTED] explanation and justification for continued daily need of the state vehicle, after the merging of the Southern Coastal District, would have been approved. Further, we question whether

██████████ District spans any larger area than other Districts in the State, or whether other District Administrators have any less travel requirements.

Although ██████████ stated that ██████████ did not see any reason for her not to use the vehicle after the merge, her statement is questionable since ██████████ last day as Deputy Director of EPS South was 8/29/02, which was prior to the merge. In a DORALL dated August 27, 2002, Chief Deputy Director ██████████ announced ██████████ retirement and that his last day in his capacity as Deputy Director of EPS South would be August 29, 2002. In addition, a DORALL dated October 22, 2002, Director ██████████ announced the appointment of ██████████ as Acting Deputy Director, EPS South effectively immediately.

2. **Subsequent to expiration of the approved Vehicle Home Storage Request/Permit (STD 377) in September 2003, ██████████ continued to store the Chevrolet Cavalier at her residence without an approved Vehicle Home Storage Request/Permit.**

██████████ submitted a Vehicle Home Storage Request/Permit on 7/18/02 requesting to store the state vehicle at home, as needed, because geographically it would be too far to get the vehicle back and forth to a state garage. The request was approved on 8/9/02 by Deputy Director ██████████ and the Assistant Chief, Business Services Section (BSS). The permit had an expiration date of September 1, 2003.

During our interview with ██████████ we asked her why the Chevrolet Cavalier was stored at her residence subsequent to September 2003, rather than the Anaheim parking structure, when DOR has a lease agreement covering six exclusive, unobstructed, parking spaces. She explained that storage was not allowed per the attendant at the parking structure. ██████████ did not follow up with the BSS regarding the allowability of parking at the Anaheim parking structure because she believed she had approval for home storage and per the attendant could not store the Cavalier at the parking structure.

We contacted Arden Realty Finance, the Lessor, regarding parking at the Anaheim parking structure. We were advised that the parking attendant has worked there for over twenty years and he would not advise that a vehicle could not be parked in the DOR leased spaces. Overnight parking/storage is allowed. The vehicle operator is instructed to submit a form which is processed and a copy is to be placed on the vehicle's dash board.

Although [REDACTED] continued to store the vehicle at her residence beyond September 1, 2003, she did not inform her supervisor, [REDACTED] Deputy Director EPS South, that she was utilizing a state vehicle nor did she renew the Vehicle Home Storage Request/Permit annually, as required, for 2003, 2004, 2005, or 2006.

It wasn't until June 2007 that [REDACTED] submitted a Vehicle Home Storage Request/Permit requesting to store the state vehicle at home. She indicated that meetings often occur beyond and before or after business hours necessitating most travel beginning and ending at home. This request was denied by Deputy Director [REDACTED] on 7/3/07. In an attached memo, Deputy Director [REDACTED] advised that the justification contained in [REDACTED] emails and the lack of complete Monthly Travel Logs (STD 273) submitted to BSS were not sufficient to determine the appropriateness of her request.

Based on our review, we found that [REDACTED] was informed of the Vehicle Home Storage Request/Permit requirements as follows:

- The instructions on the Vehicle Home Storage Request/Permit (STD 377) stipulate:
 1. Vehicle Home Storage Request/Permit must be renewed annually.
 2. Before completing the request, refer to the Guidelines for Approval on reverse.
 3. Retain original permit for current and previous fiscal years or until audited, whichever occurs first.
 4. Submit annual report to Office of Fleet Administration, 802 Q Street, Sacramento, CA 95814. Report is due June 30 and should include the total number of home storage permits and name and telephone number of point of contact.
- RAM 4121 states that taking a state vehicle home is permissible only under the following conditions:
 - the employee is departing upon or returning from an official trip away from headquarters and it is impractical to use other means of transportation; or the employee's home is enroute to the place where work is to commence.
 - the State vehicle will be used for official State business after completion of the workday or will be used on State business before usual working hours on the next succeeding workday, and approval has been obtained in writing in advance from the supervisor.
 - the employee is required to work unplanned overtime with the result that no other practical means of getting home is available.

- RAM 4122 states that the permit will include an expiration date which will not exceed one year from date of issuance. Yearly renewal requests will require completion of a new STD377 submitted to the supervisor along with the last six months of STD273's.
- In [REDACTED] Outlook folder entitled Log, we found a memo dated 4/12/06 from [REDACTED] Chief of BSS, regarding the Fleet Clarifications Guidance and Requirements. The memo reiterated the requirements for storage of a vehicle at an employee's home and advised that SAM 4109 and RAM 4122 require the request/permit to be renewed annually.
- In [REDACTED] Outlook folder entitled Vehicle Purchase, we found a memo dated 7/28/06 from [REDACTED], Chief of BSS, regarding the August 2006 Vehicle Usage Reporting. Attached to the memo was a copy of the DOR Fleet Asset Management Plan. The DOR Fleet Asset Management Plan states that DOR's policies provide for storage of a vehicle at an employee's home; however, this is only permissible if the storage is appropriate and serves a business need. Further, to ensure the business need and applicability is appropriate, an employee must prepare a Vehicle Home Storage Request/Permit (STD 377). The request must be approved by the employee's supervisor and by BSS.

Response:

[REDACTED] indicated she thought it was a one time deal and if it was written on the Vehicle Home Storage Request/Permit she did not see it. She said repeatedly that she didn't know or otherwise she would have done so. [REDACTED]

[REDACTED] indicated she just went on the basis of what people told her. When she went to the State Garage, they told her she had to fill out these papers and send to BSS which she did. In the original approval, BSS did not remind her to do this annually. [REDACTED] explained that she completed the request in June 2007 because [REDACTED] in BSS indicated that it was to be completed annually.

Conclusion:

[REDACTED], as a District Administrator and the vehicle operator, failed to take the responsibility or the initiative to ensure compliance with DOR rules and regulations regarding the Vehicle Home Storage Request/Permit requirements. The rules and regulations were available to her and the Vehicle Home Storage Request/Permit clearly indicated that the permit had to be renewed annually. In addition, [REDACTED] failed to contact the BSS regarding permissible vehicle storage at the Anaheim parking structure.

3. [REDACTED] improperly utilized the Chevrolet Cavalier to commute between her residence and the Orange San Gabriel District office for over three years at a cost to the State of \$19,601.

[REDACTED] utilized the Chevrolet Cavalier to commute between her residence in Torrance, California and the Orange San Gabriel District office in Anaheim, California, 60 miles round trip, in violation of state laws and regulations. As indicated in finding 2, [REDACTED] did not have approval to store the vehicle at her residence subsequent to September 2003.

We determined that the Chevrolet Cavalier was driven approximately 51,594 miles between October 2003 and June 2007. Additionally, [REDACTED] drove an alternate state vehicle (tripper), on occasion, as a substitute for the Chevrolet when it was in for repair and maintenance. The mileage for tripper vehicles used during this time period totaled 5,748. This equates to a total of 57,342 miles.

- a. We found \$2,735 (63%) of the \$4,342 DOR paid DGS for use of the state vehicles during the period November 2006 through June 2007 was directly attributable to [REDACTED] personal commute.

Based on our review of the Monthly Travel Logs submitted by [REDACTED], the Chevrolet Cavalier was driven approximately 10,314 miles between November 2006 and June 2007. Additionally, [REDACTED] drove a tripper vehicle between May 31, 2007 and June 4, 2007. The mileage on the tripper was 311 miles. Of the 10,625 miles driven, approximately 6,660 (63%) were commute miles to and from [REDACTED] residence/headquarters as identified on the completed logs.

- b. We estimated that up to \$16,866 (80%) of the \$21,082 DOR paid DGS for use of the state vehicles during the period October 2003 through October 2006 could have been attributed to [REDACTED] personal commute usage.

As detailed in Finding 5, [REDACTED] did not adequately complete the logs for October 2003 through October 2006. Absent any specific detailed mileage records, we reviewed [REDACTED] Individual Attendance Reports, TECs, and Monthly Travel Logs to determine her personal commute miles. We also reviewed the calendars that [REDACTED] provided as a result of the investigatory interview; however, the calendars did not include sufficient information to preclude specific dates from consideration as commute days given [REDACTED] statement that she often would stop at the office before going to an

offsite meeting.

As such, we calculated the total days [REDACTED] reportedly worked each month and would have reported to her headquarters at the Orange San Gabriel Office (excluding dates of travel, telework, and leave). We multiplied the number of work days by her 60 mile round trip commute and estimated that approximately 80% (38,100/47,537 miles) of the miles driven could have been attributed to [REDACTED] personal commute to and from her residence/headquarters.

[REDACTED] violated both the general state law that prohibits employees from using state resources for private gain and the specific state laws and regulations governing the use of state vehicles as follows:

- California Government Code Section 19990 (b) provides that a state officer or employee shall not engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his or her duties as a state officer or employee. Employees are prohibited from using state time, facilities, equipment, or supplies for private gain or advantage.
- California Government Code Section 19993.1 indicates that state-owned motor vehicles shall be used only in the conduct of state business. No state officer or employee shall use, or permit the use of, any state-owned motor vehicle other than in the conduct of state business.
- California Government Code Section 19572 indicates that misuse of state property constitutes cause for discipline of an employee.
- CCR, Title 2, Section 599.626 indicates that expenses arising from employee travel between home or garage and headquarters shall not be allowed.
- CCR, Title 2, Section 599.803 provides that employees shall be liable to the State for the actual costs to the State attributable to his/her misuse of state-owned motor vehicle.
- RAM 4110 requires that state vehicles will be used ONLY for official state business. Disciplinary action may be taken in cases of misuse of state Vehicles.

Response:

conveyed the following in response to this finding:

- The vehicle was used for state business. She feels strongly that the vehicle was not misused.
- confirmed there were times when she would drive the state car to the office and home again. There were other times when she might have to go to one of her offices, and it may not be on the calendar, as it may change from day to day. She indicated the majority of the time she is out of the office. It is rare she just comes in and stays at the office. explained that even if a meeting was early in the morning, a lot of times she would stop at the office before going to the meeting.
- Regarding adequate completion of the logs, she was told by DGS at the time to just put down the beginning and ending mileage. She was shown specifically how to do the log, when to send it and fax to DGS. She was never told a copy of the log had to go to DOR.
- She does not believe the percentages we indicated are correct. She has never really calculated the percentages.

Conclusion:

improperly utilized the Chevrolet Cavalier to commute between her residence and headquarters in violation of state laws and regulations.

did not have approval to store the vehicle at her residence subsequent to September 2003. is responsible for providing her own transportation between home and headquarters, as is required for all employees.

4. did not submit Monthly Travel Logs (STD 273) to DOR as required.

Although, indicated that she remitted the Monthly Travel Logs as required to DGS, she did not submit the logs to DOR from September 2002 through October 2006 as required by SAM 4107 and RAM 4173.

did not submit a copy of the log to DOR Central Office, as required, until November 2006.

SAM 4107 requires that agencies/departments maintain a Monthly Travel Log form, STD 273, on all state-owned passenger mobile equipment.

RAM 4173 (02/97) requires at the end of each month that the original copy of the STD 273 for monthly assigned DGS pool vehicles be sent directly to the State Garage from which the vehicle was assigned. The duplicate

(yellow) copy is to be sent to the Employee/Administrative Unit, Central Office Accounting Section at the same time the original is sent to the State Garage. The triplicate (pink) copy is to be retained with the STD 273 log.

In [REDACTED] Outlook folder entitled Mileage Log, we found a memo dated 4/12/06 from [REDACTED], Chief, BSS regarding Fleet Clarifications Guidance and Requirements. The memo stipulated that SAM Transportation Services Chapter 4100 and RAM Chapter 4 are the foundation for the DOR automotive travel policies. Staff were encouraged to re-familiarize themselves with these citations. Further, the memo stated that it was issued to provide clarifications, guidance, and update the requirements of the DOR automotive policies. The memo stated that the STD 273 is utilized to capture data reported to DGS and required that it be thoroughly completed to ensure accurate reporting and effective and appropriate monitoring of vehicle usage. It required that the 273s be forwarded to BSS at the conclusion of each month and clarified that copies of the 273s were no longer required to be forwarded to Accounting.

Response:

[REDACTED] was told by DGS at the time she first received the log how to do the log and when to send it/fax it to DGS. She was never told a copy of the log had to go to DOR. No one at DOR ever asked her for it until Mr. Abila's request in July 2006.

Conclusion:

[REDACTED], as a District Administrator and the vehicle operator, failed to take the responsibility or the initiative to ensure compliance with DOR rules and regulations regarding submission of the Monthly Travel Log. The rules and regulations were available to her for reference as indicated above.

5. [REDACTED] **did not adequately complete Monthly Travel Logs as required until November 2006. In addition, discrepancies were identified on four of the eight logs submitted from November 2006 through June 2007.**

The logs that were completed and submitted to DGS for September 2002 through October 2006 only contained the beginning date of the month, beginning odometer reading, ending date of the month and ending odometer reading. The logs did not include all of the required data (i.e. record of daily mileage traveled, date and time of travel, location of travel, information regarding storage of the vehicle) until November 2006.

[REDACTED] was informed of the vehicle usage reporting requirements, as follows:

- CCR, Title 2, Section 599.807, requires that each state agency maintain records for state-owned automobiles under its control including an automobile travel log for each automobile in a form approved by DGS. Such form shall include, among other information, a record of daily mileage traveled, date and time of travel, itinerary, and information regarding overnight storage and shall identify the driver. The record shall be completed on a daily basis.
- SAM 4107 requires that agencies/departments maintain a Monthly Travel Log form, STD 273, on all state-owned passenger mobile equipment.
- RAM 4172 (02/97) requires that the Travel Log be completed daily by the operator of the vehicle.
- RAM 4173 (02/97) requires at the end of each month that the original copy of the STD 273 for monthly assigned DGS pool vehicles be sent directly to the State Garage from which the vehicle was assigned. The duplicate (yellow) copy is to be sent to the Employee/Administrative Unit, Central Office Accounting Section at the same time the original is sent to the State Garage. The triplicate (pink) copy is to be retained with the STD 273 log.
- In [REDACTED] Outlook folder entitled Directives, we found an email from [REDACTED], Analyst with Centralized Services, dated 11/17/05 which discussed RAM Chapter 4.
- In [REDACTED] Outlook folder entitled Mileage Log, we found a memo dated 4/12/06 from [REDACTED], Chief, BSS regarding Fleet Clarifications Guidance and Requirements. The memo stipulated that SAM Transportation Services Chapter 4100 and RAM Chapter 4 are the foundation for the DOR automotive travel policies. Staff were encouraged to re-familiarize themselves with these citations. Further, the memo stated that it was issued to provide clarifications, guidance, and update the requirements of the DOR automotive policies. The memo stated that the STD 273 is utilized to capture data reported to DGS and required that it be thoroughly completed to ensure accurate reporting and effective and appropriate monitoring of vehicle usage. As such, it required that the 273s be forwarded to BSS at the conclusion of each month and clarified that copies of the 273s were no longer required to be forwarded to Accounting.

Although the logs were submitted with dates and mileage information from

November 2006 through June 2007, we found discrepancies when comparing against her individual attendance reports as follows:

- In November 2006, we noted 7 days of usage reported on the Monthly Travel Log; however, it did not include vehicle usage information for November 1, 3, 6, 7, 13, 14, 15, 17, 20, 21, 22, and 27 which were days [REDACTED] worked according to her Individual Attendance Report.

Response:

[REDACTED] confirmed she teleworked on November 1, 13, 15 and 22 and did not use the state car. She confirmed she worked the other days and used the state car. She indicated this may have been when she was trying to reconstruct the dates and could not always remember; her calendar should show the correct entries.

Conclusion:

The log is inaccurate as it did not include mileage information for all dates the State car was utilized (Nov. 3, 6, 7, 14, 17, 20, 21, and 27). Therefore, these were considered commute days.

- In December 2006, we noted 10 days reported on the Monthly Travel Log; however, it did not include vehicle usage information for December 4, 6, 12, 14, 18 and 22 which were days [REDACTED] worked according to her Individual Attendance Report.

Response:

[REDACTED] confirmed she worked all those dates; all were off-site meetings. She indicated this may have been when she was trying to reconstruct. On December 22nd she was on ITO and 4 hours (informal) CTO.

Conclusion:

The log was inaccurate as it did not include mileage information for all dates the State car was utilized (Dec. 4, 6, 12, 14, and 18). Therefore, these were considered commute days.

- In February 2007, we noted 10 days reported on the Monthly Travel Log; however, it did not include vehicle usage information for February 20, 21, 22 and 23 which were days [REDACTED] worked according to her Individual Attendance Report.

Response:

[REDACTED] confirmed she did not work these days. She confirmed she took off the week of the 13th. There were meetings the week of the 19th

and she called [REDACTED], Deputy Director EPS South, and cancelled herself from the District Administrator meeting. She indicates the report must have been signed in her absence, her staff must have thought she was working the week of the 19th. She indicated if she had been in the office she would have corrected it and that she will alert them now.

Conclusion:

The log was accurate as it did not include mileage for the days she confirmed she did not use the car. However, the Individual Attendance Report is inaccurate as it did not show leave time taken the week of the 19th. [REDACTED] Individual Attendance report needs to be revised for the week of the 19th to account for the leave time taken.

- In May 2007, we noted 16 days reported on the Monthly Travel Log; however it did not include information for May 21, 22, 23, 29, 30, and 31 which were days [REDACTED] worked according to her Individual Attendance Report.

Response:

[REDACTED] confirmed she worked both of those weeks.

Conclusion:

The log is inaccurate as it did not include mileage information for all dates the State car was utilized (May 21, 22, 23, 29, 30, and 31). Therefore, these were considered commute days.

6. [REDACTED] did not advise BSS of the inaccurate usage data reported for the Chevrolet Cavalier when requested. As such, utilization was inaccurately reported on the Fleet Usage Logs prepared by BSS and the STD 276A Passenger Vehicle Usage Reports submitted to DGS.

Beginning in 2006, BSS began sending out the Fleet Usage Logs for review to enable BSS to report accurate vehicle utilization to DGS on the Passenger Vehicle Usage Report:

- In [REDACTED] Outlook folder, we found a memo dated 2/3/06 from [REDACTED], Chief, BSS regarding the Fleet Usage Report. Although the Fleet Usage Log indicated that the Chevrolet Cavalier had 6619 total miles for the months of July through December 2005, the daily totals for the mileage were zero due to incomplete information on the Monthly Travel Logs.

Response:

confirmed that sent out a periodic memo, with an attachment. indicated she sort of perused it, not an excuse, but she probably did not scroll to the requirements. She just assumed she was submitting her vehicle information as required.

- In Outlook folder, we found a memo dated 4/19/06 from , Chief, BSS, regarding the Quarterly Fleet Usage Logs. It noted that some Monthly Travel Logs had not yet been received and instructed staff to forward those to BSS for recording. It also requested that differences on the log be investigated and where the result was a corrected log, the correction was to be forwarded to BSS.

A Fleet Usage Log attached to the memo indicated that the Anaheim Chevrolet Cavalier had zero mileage on the vehicle for the first quarter of the reporting period (January through March 2006).

Response:

indicated she just assumed the only vehicle (the district) had was hers and she assumed she was doing it correctly. indicated she started submitting the reports when in BSS indicated BSS was supposed to be receiving copies. She sent copies with the beginning and ending mileage, as she was reporting to DGS online, and informed her she needed to complete the log for the whole month on a daily basis. stated that the issue went back and forth for a while since she thought she was giving what he needed since she was the only user of the vehicle.

- In Outlook folder, we found an email dated 7/7/06 from k, Office Services Supervisor, to and , Administrative Secretary. It stated that called and said BSS hasn't received any Vehicle Log (Monthly Travel Log) sheets for January, February, March, April, May, and June 2006 and is asking for copies to be mailed to his attention.

In an email dated 7/11/06 from to , indicated that the mileage log for state car is now done on-line. She advised that had printed the log and was mailing it to on 7/11/06.

In a response to the 7/11/06 email, indicated that he would be preparing the Passenger Vehicle Usage Report (STD 276A) due on 8/15/06 and to ensure maximum utilization and evaluate the vehicle's

usage, the Monthly Travel Log is to include the total miles driven and the total work days the vehicle was used. He asked that [REDACTED] please forward the Monthly Travel Log.

Response:

[REDACTED] indicated she was completing it online and then [REDACTED] contacted her Secretary, [REDACTED]. She had [REDACTED] send him the online information which included beginning and ending mileage. They sent emails back and forth for a while before she started completing them (Monthly Travel Logs) on a daily basis.

- In [REDACTED] Outlook folder entitled Vehicle Purchase, we found a Memo dated 7/28/06 from [REDACTED], Chief of BSS regarding the August 2006 Vehicle Usage Reporting. The Fleet Usage Log attached to the memo indicated the Anaheim Chevrolet Cavalier had 6,440 miles of unaccounted mileage for the months January through June 2006. Detailed information on the daily miles, total miles, work days used and percentage of work days used was not included.

Response:

[REDACTED] indicated her answer was sort of the same as her response to the above.

- In [REDACTED] Outlook folder entitled Vehicle Purchase, we found a Memo dated 10/12/06 from [REDACTED], Chief of BSS regarding the Quarterly Fleet Usage Logs. It noted that some Monthly Travel Logs had not yet been received and instructed staff to forward those to BSS for recording. It also requested that differences on the log be investigated and where the result was a corrected log, the correction was to be forwarded to BSS.

The Fleet Usage Log attached to the memo indicated the Anaheim Chevrolet Cavalier had 2,341 miles of unaccounted mileage for the months July through September 2006. Detailed information on the daily miles, total miles, work days used and percentage of work days used was not included.

Response:

[REDACTED] indicated she finally went back and tried to reconstruct starting in November 2006, but she had not been keeping a daily log, so it was difficult. [REDACTED] asked her to go back and try to remember; she told him she did not write everything down but she would do so to the best of her ability.

Conclusion:

██████ did not take responsibility to ensure accurate information regarding usage of the Chevrolet Cavalier was provided to BSS, and ultimately to DGS, nor to ensure compliance with state laws and regulations. It appears that ██████ did not respond to the inaccurate mileage reported for the Chevrolet Cavalier or submit copies of the Monthly Travel Logs to BSS for the time period January through June 2006, as required, to ensure accurate reporting of vehicle usage to DGS.

7. ██████ did not ensure that information reported on her Individual Attendance Reports, Travel Expense Claims (TEC), and Monthly Travel Logs was accurate.

For the period of November 2006 through June 2007, we identified the following discrepancies:

- **11/8/06** – the TEC and supporting documents indicated Res – LAX – Sacto Air - Res leaving at 04:30 and returning at 19:30. However, the Monthly Travel Log indicated she traveled 200 miles from Headquarters to Costa Mesa & LA.

Response:

██████ indicated this was an error on the Monthly Travel Log. It should have noted 11/7/06.

Conclusion:

The Monthly Travel Log was inaccurate. Costa Mesa was indicated on ██████ calendar on 11/7/06.

- **11/29/06** – the TEC and supporting documents indicated Res – LAX – Sacto Air – Res leaving at 04:30 and returning at 21:00. However, the Monthly Travel Log indicated she traveled 150 miles from Headquarters to LA.

Response:

██████ indicated this was an error on the Monthly Travel Log. It should have noted 11/27/06.

Conclusion: The Monthly Travel Log was inaccurate. Asian Family Health Center was indicated on ██████ calendar on 11/27/06.

- **12/11/06** – the TEC indicated HQ – Costa Mesa – HQ; however the Monthly Travel Log indicated she traveled 213 miles from HQ – Westminster – Laguna.

Response:

██████ indicated those were two separate trips. She had a WIB sub-

committee at 8:30 in Costa Mesa. She came to the office first. The meeting in Costa Mesa had a parking fee which she submitted for reimbursement on her TEC. She then returned to the office for an administrative review. She had two other meetings in the afternoon, at 1:30 in Westminster and another in Laguna Hills.

Conclusion:

The Monthly Travel Log was inaccurate as it did not identify all trip locations. As [REDACTED] reported to headquarters first, this was considered a commute day.

- **4/16/07** – the TEC and supporting documents indicated Sac – Res; however, the Monthly Travel Log indicated Res – HQ for 60 miles.

Response:

[REDACTED] indicated she returned from LAX and then went into the office. She only showed the trip details on the TEC to substantiate the per diem. She stated the Monthly Travel Log should have shown the details from the airport to residence then to headquarters to be completely accurate.

Conclusion:

The Monthly Travel Log was inaccurate as it did not identify all trip locations. As [REDACTED] reported to headquarters, this was considered a commute day.

- **5/3/07** – the TEC indicated Res - LAX at 12:00 pm for a meeting in Sacramento; however, the Monthly Travel Log indicates HQ to LAX for 15 miles.

Response:

[REDACTED] indicated she worked in the morning as her flight was in the afternoon. She went to work, came back home to get luggage and materials and then went to LAX. She indicated the Monthly Travel Log should have indicated residence to headquarters to residence to LAX.

Conclusion:

The Monthly Travel Log was inaccurate as it did not identify all trip locations. As [REDACTED] reported to headquarters first, this was considered a commute day.

- **5/4/07** the TEC indicated Sacto – LAX Res; however, the Monthly Travel Log indicated LAX to HQ for 15 miles.

Response:

[REDACTED] indicated she listed Sacto – LAX – Res to substantiate the per diem, she then drove to work to pick up materials and to work on items needed for an early morning meeting on Monday May 7, 2007.

Conclusion:

The Monthly Travel Log was inaccurate as it did not identify all trip locations. As [REDACTED] reported to headquarters, this was considered a commute day.

- **5/10/07** the Monthly Travel Log indicated Res – Costa Mesa – Irvine - Ret. However, the supporting documentation attached to the TEC showed [REDACTED] on travel status in Sacramento returning to LAX at 7:20pm.

Response:

[REDACTED] indicated on May 9th and 10th she was in Sacramento.

Conclusion:

The Monthly Travel Log was inaccurate. Therefore, this was not counted as a commute day.

- **6/8/07** – the Attendance Report indicated ill; however, the Monthly Travel Log indicated Torr – HQ – W. Covina – Torr.

Response:

[REDACTED] indicated she was not out ill that day. She attended a unit meeting and community event in West Covina. She had a medical appointment at 4:00pm. The attendance clerk or her secretary could have misunderstood and thought she had been out the entire day and charged leave for the day.

Conclusion:

The Attendance Report was inaccurate and should be corrected to reflect that [REDACTED] worked on 6/8/07.

BEFORE THE DEPARTMENT OF REHABILITATION
STATE OF CALIFORNIA

In the matter of:

██████████
Appellant,

From Preliminary Audit Decision

I. BACKGROUND

1. The Department of Rehabilitation (hereafter DOR) must investigate suspected abuse of a state vehicle within thirty days after it has reasonable cause to believe that misuse of a state-owned vehicle by one of its employees has occurred (Title 2, Cal Code of Regs, sec. 599.804, subd. (b)).
2. By letter dated March 10, 2008, DOR provided ██████████, a DOR manager, with a copy of the "Report of Investigation on the Misuse of a State Vehicle – Orange San Gabriel District (hereafter, "Preliminary Decision").
3. On March 17, 2008, ██████████ appealed the preliminary decision.
4. The Director is authorized to approve, reverse or modify the Preliminary Decision pursuant to Title 2, California Code of Regulations, section 599.804.
5. The Director exercised his discretion to have a hearing, pursuant to state regulation, and held a hearing on May 16th and May 30th in Los Angeles, California.
6. The DOR has considered the Proposed Decision of ██████████ ██████████, Administrative Law Judge and adopts his findings only in so far as they are expressed in this decision.

II. FACTS

7. On July 18th, 2002, ██████████ requested permission to have a state car

assigned to her, and to store it at home based upon her being responsible for two districts.

8. On July 18th, 2002, Deputy Director, [REDACTED] approved [REDACTED] request based upon her travel and anticipated cost-savings, and not upon her covering two districts.
9. On July 29, 2002, [REDACTED] provided DOR Business Services with a Vehicle Home Storage Request/Permit. The stated justification for use of the vehicle was "Extensive travel covering two districts and nine offices or branch locations. Spans various counties." DOR approved the permit on or about August 12, 2002, and directed [REDACTED] [REDACTED] to the state garage.
10. The Home Storage permit reflected, on its face, that it was valid until September 1, 2003.
11. [REDACTED] did not request another home storage permit until June 18, 2007, which permit was denied.
12. [REDACTED] used the state vehicle, a 2002 Chevy Cavalier, from September 13, 2002 until July 13, 2007 and stored the state vehicle at her residence.
13. The distance between [REDACTED] residence and her place of work is sixty miles. [REDACTED] admitted that she drove the state vehicle from her residence to her place of work on occasion.
14. [REDACTED] records, including her calendars for 2003 through 2007, lacked sufficient detail to show where she drove the state vehicle on most days.
15. There was no evidence admitted at the hearing to support a finding that [REDACTED] ever used her personal vehicle, rather than the state vehicle, to commute to her workplace in Anaheim between 2003 and 2007.
16. [REDACTED] drove the state vehicle 57,342 miles between October 2003 and June 2007.
17. [REDACTED] reported her monthly mileage to the Department of General

Services pursuant to State Administrative Manual 4107 and mistakenly did not report her daily mileage on the Quarterly Fleet Usage Logs, which responsibility was partly contained in the Rehabilitation Administrative Manual, section 4173.

18. [REDACTED] submitted travel claims for travel on dates including but not limited to November 8, 2006 and November 29, 2006, even though she did not travel on those dates.
19. [REDACTED] testified that she incurred travel expenses consistent with her claims although the costs were incurred on different days than those claimed on some of her travel claims.

Conclusion

20. DOR Audits did not abuse its discretion in conducting the audit and in making its findings, but based upon evidence at the hearing, the conclusions must be modified.
21. DOR adopts the recommended finding that DOR should have addressed [REDACTED] use of the vehicle and failure to complete required documentation before June 2007. Because of the passage of time, DOR should not collect its actual costs of the state vehicle, from [REDACTED], for days that [REDACTED] has not demonstrated that her use of the vehicle was consistent with state law and regulation.
22. [REDACTED] reliance on directions from State Garage employees and on her continued use of the vehicle without question by DOR "mitigates her deviation" from the rules and requirements contained in the State Administrative Manual, the Rehabilitation Administration Manual and other Department directives regarding Usage logs.

Decision

21. DOR audits must modify the audit report, within 30 days of this decision, to reflect the findings above, which may be accomplished by incorporating this Decision, and the following conclusions:

- a. [REDACTED] did not have a current Vehicle Home Storage Permit but she had a good faith belief that she was entitled to store the vehicle at her home because she was not permitted to store the vehicle at her place of work;
- b. There was insufficient evidence to show that [REDACTED] improperly utilized the Chevrolet Cavalier to commute between her residence and the Anaheim office for over three years at a cost of the State of \$19,601, and thus the Department need not collect the state cost from her;
- c. [REDACTED] did not submit monthly travel logs (STD 272) to DOR but she did not understand her obligation to do so;
- d. While [REDACTED] made errors in her travel claims and travel logs, the errors should not be the basis for disciplinary action;
- e. [REDACTED] failed to provide current information on the Fleet Usage Logs regarding the Chevrolet Cavalier but directions to do so were unclear.
- f. DOR should not take any disciplinary action against [REDACTED] [REDACTED] related to any of the facts above.

DATED: September 9, 2008

BY: _____

[REDACTED]
Director

Department of Rehabilitation